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Provisional summary record of the 45th meeting
Held at Headquarters, New York, on Tuesday, 20 July 2004, at 3 p.m.

President: Mr. Penjo ..... (Bhutan)

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In the absence of Ms. Rasi (Finland), Mr. Penjo (Bhutan), Vice-President, took the Chair.

The meeting was called to order at 3.15 p.m.

Economic and environmental questions (*continued*) (A/59/99-E/2004/83; E/2004/81)

(a) Sustainable development (*continued*) (E/2004/12-E/CN.17/2004/3, E/2004/29-E/CN.17/2004/21 and E/2004/33; E/2004/MISC.1)

(b) Science and technology for development (*continued*) (A/59/80-E/2004/61; E/2004/31-E/CN.16/2004/4)

(e) Environment (*continued*) (A/59/25 and A/59/81-E/2004/63)

(i) United Nations Forum on Forests (*continued*) (E/2004/42-E/CN.18/2004/17)

1. **Mr. Latheef** (Observer for Maldives) thanked the Council for its support in convincing the international community of the importance of a smooth transition for a least developed country in the event of graduation. Graduation must lead to a more dynamic development process, and his Government had therefore always insisted on approaching it prudently. That was also the approach taken by the Committee for Development Policy (CDP), the Economic and Social Council, and his country's development partners. In that connection, the CDP report (E/2004/33) and the report of the Secretary-General (E/2004/94) contained very important elements that deserved the Council's careful consideration. It was often stated that development was primarily the responsibility of the country concerned. His Government had taken responsibility for the socio-economic development of the Maldives. At the same time, his Government believed that its development partners did not intend to let the country slip backwards. Thus, a collective commitment on their part was essential to future progress.

2. The reports of CDP and of the Secretary-General reflected the concepts of pre- and post-graduation periods. His delegation agreed that graduation was likely to present each country with different challenges; the post-graduation transition period should therefore be determined on a case-by-case basis. His delegation also fully supported the recommendation of CDP to establish an ad hoc country advisory group to work with a graduating country in formulating appropriate transition measures. Such a group could conduct an in-depth study of the cost of graduation and an assessment of the country's ability to sustain development after graduation.

3. While his Government remained flexible as to the structure of the ad hoc country advisory groups, it urged that the arrangements designed by the group be endorsed and formalized by the Council. It also requested that CDP be given a mandate to monitor the progress of graduated countries and report to the Council on its findings.

4. **Mr. Oshino** (Japan) said that his country had made large contributions to sustainable development in the areas of water, sanitation and human settlements. In the water and sanitation sector, it had contributed US$ 1 billion, or one third of worldwide official development assistance, between 1999 and 2001 and $1.8 billion in fiscal year 2002. In addition, his Government would chair the United Nations Advisory Board on Water and Sanitation, to be held within the following days.

5. Education was the basis of sustainable development, and his delegation had therefore proposed the United Nations Decade of Education for Sustainable Development, which would begin in 2005. His delegation also believed that disaster reduction was indispensable for sustainable development. As his country had suffered greatly from natural disasters, his Government wished to share its knowledge and experience at the World Conference on Disaster Reduction, to be held in Kobe in January 2005.

6. With regard to the environment, his delegation welcomed the report of the Governing Council of the United Nations Environment Programme (UNEP) on its eighth special session (A/59/25). The Governing Council's decision on a strategic plan for technology support and capacity-building was of great importance. His delegation looked forward to the successful completion of the work of the high-level open-ended intergovernmental working group and the adoption of the strategic plan at the twenty-third session of the Governing Council. Lastly, his delegation stressed the need to provide UNEP with stable and predictable funding from within the regular budget.

7. **Mr. Owuor** (Kenya) agreed with the representative of Japan concerning funding for UNEP.

8. **Mr. Mabhongo** (Observer for South Africa) said that the twelfth session of the Commission on Sustainable Development had offered an opportunity to reflect on the challenges in the areas of water, sanitation and human settlements. In addition, it had reinforced the importance of international cooperation, including the fulfilment of commitments to developing countries, for the achievement of the internationally agreed development goals, and had laid the foundations for the policy discussions to be held at the thirteenth session. It was already time to begin considering the goals for that session, and his delegation believed that they should be practically oriented and should lead to specific actions.

9. His delegation regarded the establishment of the high-level open-ended intergovernmental working group of the UNEP Governing Council as a milestone on the path to international environmental governance. It would empower developing countries to implement their environmental programmes and would lead to the strengthening of national institutions and policy frameworks for the implementation of global and regional environmental agreements. It should also create linkages with regional mechanisms such as the New Partnership for Africa's Development (NEPAD).

10. **Mr. Siregar** (Indonesia) said that his delegation attached great importance to the follow-up of the World Summit on Sustainable Development and welcomed the new format for the organization of the Commission's work. It also welcomed the outcomes of the eighth special session of the UNEP Governing Council, held in Jeju, Republic of Korea, in March 2004. As a reflection of his Government's active role in promoting environmental protection and sustainable development, Indonesia would host the final meeting of the high-level open-ended intergovernmental working group on an intergovernmental strategic plan for technology support and capacity-building, to be held in December 2004.

11. His delegation welcomed the report of the fourth session of the United Nations Forum on Forests (E/2004/42-E/CN.18/2004/17) and the constructive contribution of that body to the global discussion of an issue of great importance to his country.

Action on recommendations contained in the reports of the subsidiary bodies

Draft decision contained in chapter I of the report of the Commission on Sustainable Development on its twelfth session (E/2004/29-E/CN.17/2004/21)

12. *The draft decision was adopted.*

Draft decision contained in chapter I of the report of the United Nations Forum on Forests on its fourth session (E/2004/42-E/CN.18/2004/17)

13. **Mr. Khane** (Secretary of the Council) said that an amendment to the decision had been adopted without a vote. It was properly reflected in the report.

14. *The draft decision, as amended, was adopted.*

15. **The President** said that consultations were continuing with regard to sub-items (b) and (e). He therefore suggested that the Council should defer its consideration of those sub-items to a later date.

16. *It was so decided.*

(c) **Statistics** (E/2004/24-E/CN.3/2004/33 and E/2004/24/Corr.1)

(d) **Human settlements** (E/2004/70)

(f) **Population and development** (E/2004/25-E/CN.9/2004/9)

(g) **Public administration and development** (E/2004/44-E/C.16/2004/9)

(h) **International cooperation in tax matters** (E/2004/51)

(j) **Assistance to third States affected by the application of sanctions** (A/58/346; E/2004/72)

(k) **Cartography** (E/2004/57/Corr.1 and E/2004/64)

(l) **Women and development** (E/2004/27-E/CN.6/2004/14)

17. **Mr. Bertucci** (Director of the Division for Public Administration and Development Management, Department of Economic and Social Affairs), said that the report on the third session of the Committee of Experts on Public Administration (E/2004/44)

contained conclusions and recommendations on items that the Committee had addressed. They included: the role of human resources in revitalizing public administration, the role of the public sector in advancing the knowledge society, strengthening public administration for the Millennium Development Goals, analysis of existing basic data on the public sector, and review of United Nations activities in the area of public administration.

18. There was a need to find ways to enable public administration to ensure peace and security, the rule of law and the protection of individual life and property, and to create an environment conducive to private sector initiative, economic growth and human development. The revitalization of public administration would involve developing and sustaining partnerships and cooperation between the public sector, civil society and the private sector. There was a need to promote cooperation and exchanges of views between the State and the public administrations of various countries. The Committee had recommended the selective integration of the principles and practices of public management and governance within public administration in order to build and promote efficient, economical, participatory and equitable administrative systems that were responsive and accountable to the public. There was also a need to instil a culture of research within the sphere of public administration, including the application of new information and communication technologies.

19. The public sector must attract, recruit and retain the highest qualified personnel possible. During its third session, the Committee had focused on developing institutions of governance and public administration in Africa; enhancing human capital and the role of human resources in revitalizing public administration; promoting shared and engaged governance; and encouraging the growth and proper governance of an information and knowledge society. The Committee had also recommended that the Council should devote one of its high-level segments to the issue of governance and public administration and bring it to the forefront of the development agenda.

20. The United Nations Public Service Day celebrations and awards for best public service should be given more exposure in order to inspire public servants and increase citizens' awareness of the important role that public servants played. Lastly, the Committee recommended that the Global Forum on Reinventing Government should be held at Headquarters, which would be at no cost to the United Nations, because it was not a United Nations meeting as such but rather an expert meeting.

21. **Ms. Gebre-Egziabher** (Director of the New York Office, United Nations Centre for Human Settlements) said that the report of the Secretary-General on coordinated implementation of the Habitat Agenda (E/2004/70) took stock of progress on funding, partnership, monitoring, coordination and national development strategies and put forward recommendations.

22. A vigorous campaign had been launched to widen the donor base. Governments had responded positively to calls for increased contributions during the 2002-2003 biennium. There were promising signs that some Governments and financial institutions had committed themselves to a multi-year funding. They included Canada and Norway for the Water and Sanitation Trust Fund; the Asian Development Bank for water for Asian cities; the United States of America and Sweden for the Technical Cooperation Trust Fund to support the Special Human Settlements Programme for the Palestinian People; the Netherlands and Norway for the United Nations Centre for Human Settlements Programme (UN-HABITAT) work programme on youth; and others. Earmarked funding remained considerably higher than general-purpose or non-earmarked funding, however, which made it difficult for UN-HABITAT to plan its financial commitments and implement its work programme around strategically focused goals. UN-HABITAT was also developing a slum upgrading facility to raise funds to improve slums and for other human settlements activities.

23. Habitat Agenda partners, including parliamentarians, local authorities, non-governmental organizations and women's and youth organizations, were engaged in the intergovernmental processes and global events of relevance to UN-HABITAT. While engagement with the private sector needed further strengthening, local authorities were already extensively integrated in the Programme's work.

24. The new rules of procedures adopted at the fifty-eighth General Assembly session had paved the way for enhanced engagement of the Habitat Agenda partners in the Programme's activities. The Habitat Agenda task manager system, a broad-based

mechanism to foster better monitoring and enforcement of actions taken by international agencies in support of the implementation of the Habitat Agenda, was built on three pillars: the monitoring activities of the global urban observatory of UN-HABITAT; the flagship reports published annually by UN-HABITAT; and the biennial sessions of the World Urban Forum. UN-HABITAT was participating in the United Nations Development Group (UNDG) at different levels, which had improved collaboration with United Nations agencies, programmes, funds and country teams in the implementation of the Habitat Agenda, the Declaration on Cities and Other Human Settlements in the New Millennium and the relevant Goals and targets of the Millennium Declaration.

25. She encouraged Governments that were in a position to do so to increase the non-earmarked component of their contribution in order to facilitate the implementation of the Habitat Agenda, the Declaration of Cities and Other Human Settlements in the New Millennium and the relevant commitments of the Millennium Declaration, particularly the commitment to achieve a significant improvement in the lives of at least 100 million slum dwellers by 2020.

26. **Mr. Trepelkov** (Officer-in-Charge of the Multi-Stakeholder Engagement and Outreach Branch, Financing for Development Office, Department of Economic and Social Affairs) introduced the report of the Secretary-General on the eleventh meeting of the Ad Hoc Group of Experts on International Cooperation in Tax Matters (E/2004/51). The Group of Experts had conducted extensive and rich discussions on the followings topics: mutual assistance in the collection of tax debts and protocol for mutual assistance procedures; treaty shopping and treaty abuses; interaction of tax, trade and investment; financial taxation and equity market development; transfer pricing; cross-border interest income and capital flight; electronic commerce and developing countries; revision of the United Nations Model Double Taxation Convention and the Manual for the Negotiation of Bilateral Tax Treaties; and the institutional framework for strengthening international cooperation in tax matters. Based on those discussions, the Group had come up with a number of conclusions and recommendations on further work in selected areas, which appeared in bold type throughout the text of the report.

27. Apart from the institutional issues, which were currently the subject of ongoing informal consultations, the Council might wish to take action on the recommendations by the Group of Experts regarding the agenda, time and venue of its twelfth meeting, as contained in paragraphs 73 and 74 of the report.

28. **Mr. Al-Athba** (Qatar), speaking on behalf of the Group of 77 and China on sub-item (d), said that the mass exodus to cities and the rising levels of poverty had led to higher levels of urban poverty, the mushrooming of slums and inadequate provision of water, sanitation and other social services. Currently one third of the world's urban population lived in slums, especially in developing countries, and in Africa an estimated 56 per cent of the urban population lived in slums; that situation would become critical unless drastic measures were taken.

29. According to the Secretary-General's report, the level of contributions to the United Nations Habitat and Human Settlements Foundation (UNHHSF) had increased. However, there was a gross imbalance between earmarked and non-earmarked contributions, with the non-earmarked contributions accounting for only 25 per cent of the total, so that the work of UN-HABITAT was driven by supply rather than by demand. He therefore urged developed countries to increase their contributions to the Foundation, especially by making non-earmarked contributions on a multi-year basis.

30. The Group of 77 and China welcomed the intention of UN-HABITAT to develop a slum upgrading facility and called on their partners to support the initiative.

31. **Mr. Al-Mahmoud** (Qatar), speaking on behalf of the Group of 77 and China on sub-item (h), said that he welcomed the recommendations contained in the report of the Secretary-General (E/2004/51), particularly his recommendations on an institutional framework for strengthening international tax cooperation. From the perspective of developing countries, existing institutional arrangements for dealing with international tax matters were unsatisfactory and did not adequately address the concerns or represent the interests of developing States. There was an urgent need for an inclusive, participatory, and representative dialogue on international cooperation in tax matters.

32. The Ad Hoc Group of Experts on International Cooperation in Tax Matters should be converted into a

truly intergovernmental subsidiary body of the Council in order to give developing countries an effective voice on tax matters. Elections to such a body should follow the Council's usual procedures. Its members should be elected annually on the basis of equitable geographical distribution and should serve as governmental representatives rather than in their personal capacity. It should also be adequately funded and staffed to meet its increased responsibilities.

33. The new committee should be given responsibility for making annual recommendations to the Council on international cooperation in tax matters, including on the Manual for the Negotiation of Tax Treaties between Developed and Developing Countries and model conventions on international tax issues, and should cooperate with other international and regional organizations on new and emerging issues.

34. **Mr. Neil** (Jamaica), speaking on behalf of the member States of the Caribbean Community (CARICOM) that were Members of the United Nations, said that CARICOM States recognized the benefits accruing from cooperation in international tax matters. A fair system allowed developing nations greater facility in mobilizing domestic and external resources for development. Accordingly, CARICOM welcomed the call made at the International Conference on Financing for Development for the strengthening of international tax cooperation with special attention to the needs of developing countries.

35. CARICOM had nevertheless noted with concern that major international bodies, such as the Organization for Economic Cooperation and Development (OECD), sought to create principles and guidelines without the full participation of developing countries. It was unacceptable that a body should attempt to dictate policy binding on States outside its membership, and then pressure those States into complying with such a policy while its own members faced no consequences for non-compliance.

36. Greater transparency was required in a process that might fundamentally affect the economic sustainability of developing economies. CARICOM therefore supported the Secretary-General's recommendation, contained in his report to the General Assembly at its fifty-eighth session (A/58/216), that the Ad Hoc Group of Experts on International Cooperation in Tax Matters should be converted into an intergovernmental body within the subsidiary machinery of the Council. A United Nations forum, with a clear development agenda, would be best suited to promoting transparency, even-handedness and genuine cooperation in matters of concern to all countries.

37. Lastly, CARICOM welcomed the report of the Secretary-General on the eleventh meeting of the Ad Hoc Group of Experts on International Cooperation in Tax Matters (E/2004/51), and trusted that the draft decision introduced under the current agenda item would command the widest support in the Council.

38. **Mr. Owuor** (Kenya), said that the international community must fulfil the commitments it had undertaken at the United Nations Conference on Human Settlements, the Millennium Summit and the World Summit on Sustainable Development, and provide the necessary resources to meet the challenge of providing adequate shelter for all. Although contributions to both UN-HABITAT and the Human Settlements Foundation had increased during the previous two years, earmarked contributions to the Foundation remained higher than non-earmarked ones, making it difficult for UN-HABITAT to plan and implement its work programme. In addition, the donor base had remained low, leading to excessive reliance on a few contributors. He therefore urged all Member States to contribute to the Foundation, with emphasis on non-earmarked resources. The initiative of UN-HABITAT to develop a slum upgrading facility to raise funds for upgrading slums and other human settlements activities should also be widely supported.

39. **Mr. Kondakov** (Russian Federation) said that his delegation appreciated the work of the Ad Hoc Group of Experts on International Cooperation in Tax Matters, which had covered issues of interest to many countries, and supported the recommendations of its eleventh meeting regarding revision of the United Nations Model Double Taxation Convention and the *Manual for the Negotiation of Bilateral Tax Treaties between Developed and Developing Countries*.

40. The work of the Ad Hoc Group had evolved over the years, and had become a focus of interest for developing countries and those with economies in transition. With the advance of globalization, the integration of markets and the revolution in information and communication technologies (ICT), the relationship between trade, investment, the use of ICT and taxation had become more complex.

Individual countries' role in cooperation on taxation matters had therefore also become more complex. The potential of the Ad Hoc Group of Experts must be fully exploited to assist development.

41. The flow of international trade and investment using electronic transaction methods had grown, making calculation and collection of taxes on such international transactions increasingly difficult for tax authorities in developing and transition-economy countries. Rapid action should be taken to strengthen international cooperation and exchanges of information on matters of taxation and combating capital flight. It would be helpful to give the Ad Hoc Group of Experts a framework of priority issues and a timetable for action on them, and for it to work with other entities active in the same field. The Ad Hoc Group could also meet more often and/or hold workshops on specific issues to reduce the size of its substantial agenda. Observers from a wide range of countries not represented in the Ad Hoc Group should continue to be encouraged to attend its meetings.

42. His delegation believed that implementation of the Habitat Agenda was making good progress, largely thanks to the greater effectiveness of the United Nations Human Settlements Programme (UN-HABITAT) itself. Continuing that trend would help to set priorities for action and bring the aims of human settlements policies, such as better infrastructure, water supplies and sanitation, closer to fruition. Cooperation between UN-HABITAT and other United Nations entities and civil society must also continue.

43. The regional and national aspects of implementing the Habitat Agenda must be assessed. While his delegation understood that priority should be given to the poorest countries, it wished to point out that the problems of dilapidated housing, poor access to water and sanitation, and translating into action the right to socially acceptable living conditions also affected vulnerable transition economy countries. Resolution 19/15 of the UN-HABITAT Governing Council regarding the integration of the issue of economies in transition into the work of UN-HABITAT was particularly significant in that connection. His delegation valued the work being done in that field and hoped that it would be the focus of greater international cooperation.

44. **Mr. Liu Liqun** (China), associating his delegation with the statement made by Qatar on behalf of the Group of 77, said that the developing countries had made many explicit requests for the Ad Hoc Group of Experts on International Cooperation in Tax Matters to be upgraded and made a subsidiary body of the Council. The development of globalization required the Organization to reinforce cooperation in tax matters, trade and investment. His delegation was an active member of the Ad Hoc Group and had, at the Group's eleventh meeting, expressed the view that the United Nations should play a leading role in formulating rules for international taxation cooperation and should combat capital flight.

45. There were still many obstacles to conversion of the status of the Ad Hoc Group, but his delegation was ready to strengthen cooperation with other countries in a joint effort to seek early and positive results on that matter.

46. **Mr. Hackett** (Barbados), associating his delegation with the statement made by Qatar on behalf of the Group of 77 and China, said that enhancing the voice and participation of developing countries in international dialogue, global decision-making and norm-setting forums was a prerequisite for improving global economic governance. The Council's debate on strengthening the institutional framework for international cooperation in tax matters should be guided by the principles of justice, equity, democracy, participation, transparency, accountability and inclusion agreed on at the International Conference on Financing for Development, held in Monterrey.

47. There was no global intergovernmental forum that considered international tax cooperation on an ongoing basis or that could adequately place the debate in a wider development context. Existing or proposed initiatives to promote cooperation, such as the OECD-initiated International Tax Dialogue (ITD), were driven by a narrow agenda and lacked the international legitimacy which could only be conferred by a universal forum. While his delegation welcomed the outreach activities of limited membership organizations, current practice demonstrated that those efforts did not allow developing countries a full and effective voice in the core decisions of those bodies.

48. In the absence of an international tax organization, as envisaged in the report of the High-Level Panel on Financing for Development

(A/55/1000), the United Nations was the most appropriate forum for international cooperation in tax matters. As the report of the Secretary-General on the eleventh meeting of the Ad Hoc Group of Experts on International Cooperation in Tax Matters had recommended and as the Group of 77 and China had proposed, that objective could best be achieved by converting the Ad Hoc Group into an intergovernmental committee of the Council, with a membership appointed by the Council and reporting back to it annually.

49. His delegation was aware of the concerns of a few Member States regarding that proposal, but it had been acknowledged in Monterrey and elsewhere that developing countries did not have a voice or a seat at the table when vital decisions on international tax issues were made. If such an unequal, exclusionary and discriminatory system was perpetuated, the commitments and agreements made in Monterrey and at other major international conferences would not be met. His delegation therefore called on the Council to take the correct, if difficult, decision to establish a committee on international cooperation in tax matters.

50. **Mr. Nikitov** (Ukraine) said that his delegation wished to raise the matter of assistance to third States affected by the application of sanctions, since the increased number, forms and purposes of sanctions regimes required a critical look at the experience gained.

51. Third States had endured great hardship as a result of the imposition of sanctions that had never been the intention of the Charter of the United Nations, and yet the provisions of Article 50 had not been implemental. His delegation firmly believed that every effort should be made to minimize any negative impact on third States of measures adopted under Chapter VII of the Charter, and its supported the establishment of a mechanism to address the special economic problems confronted by third States.

52. In 1998, the Secretary-General had convened an ad hoc expert group on assistance to third States affected by the application of sanctions, to assess the consequences of sanctions for third States and explore international assistance for them. Its recommendations, and work undertaken in other forums, provided a sufficient basis for agreement within the Organization on the practical implementation of Article 50 and other Charter provisions. All the resolutions on Article 50 adopted by the General Assembly in the previous decade had emphasized the role of the Council in mobilizing and monitoring international assistance. It was time for the Council to provide the General Assembly with clear guidance on those issues.

53. **Ms. Navarro Barro** (Cuba) said that discussion of public administration and development was a complex matter combining technical considerations with political considerations. However, her delegation wished to point out that the Member States had no precise, agreed definition of terms such as "governance" and "new public management". Furthermore, discussion of the revitalization of public administration involved other issues which were far from settled, such as the extent of involvement of the private sector, the role of civil society, the impartiality of senior officials, the effects of interference by parties and by ethnic, family or other groups, and the matter of human rights and fundamental freedoms in the information society. Member States must discuss all those issues in greater depth so as to find common principles, standards and values which were compatible with varying levels of development, historical traditions and political cultures and with the requirements of different economic, political and social systems.

54. With regard to the report on the third session of the Committee of Experts on Public Administration (E/2004/44-E/C.16/2004/9) and its recommendation 5 (b) to the Council, relating to the development of a methodology for a bottom-up participatory approach in identifying public administration foundations and principles, her delegation pointed out that methodological debates should be transparent and open to the participation of all, and should take account of and respect the particular circumstances of countries and regions, so as to avoid imposing models regarded as emerging from "best practices".

55. **Ms. Mammadova** (Azerbaijan) said that the issues discussed at the eleventh meeting of the Ad Hoc Group of Experts on International Cooperation in Tax Matters were topical and pertinent to the work of all national tax authorities.

56. One of the main challenges facing the authorities in developing countries and transition economy countries was tax evasion. Growing international trade and investment had made it an even more immediate problem than before. Greater economic integration had

made it difficult, if not impossible, to tackle tax evasion purely within national boundaries. Effective dialogue among national tax authorities would help to address the issue effectively.

57. It was essential to expand the bilateral tax treaty network. Double taxation treaties and advance tax clearance under those treaties would make it possible to reduce the rate of withholding tax. The mutual administrative assistance provisions of such treaties must, however, be reviewed and further strengthened. The treaties themselves should maintain an equitable distribution of revenue between contracting States and be conducive to maintaining capital flows to developing countries.

58. Her delegation welcomed the rapid growth in computer ownership and Internet access. The challenges and opportunities of e-commerce should be further examined to enable developing countries to benefit fully from them.

59. Her delegation acknowledged the contribution of the Ad Hoc Group of Experts to following up the International Conference on Financing for Development and supported the recommendation of the Secretary-General to strengthen its institutional framework.

60. In the light of ongoing changes in the tax structure, including in the field of e-commerce, the United Nations Model Double Taxation Convention must be revised. Such a revision could be based on the 1988 Strasbourg Convention on Mutual Administrative Assistance in Tax Matters, with more emphasis on the determination of liabilities, on good and timely provision of administrative assistance, and on avoiding damage to the national interests of other States, since taxation was a sovereign prerogative of States.

61. Transition economies still needed technical assistance and the benefit of shared experience in tax reform and improving tax administration. Her delegation was particularly interested in the issues and implications of tax competition, information technology and e-commerce and looked forward to further United Nations efforts to develop cooperation in international taxation and dialogue with the appropriate entities.

Action on recommendations contained in the reports of subsidiary bodies

Draft decision contained in chapter I of the report of the Statistical Commission on its thirty-fifth session (E/2004/24-E/CN.3/2004/33, Chapter I, section A)

62. *The draft decision was adopted.*

Draft decision contained in chapter I of the report of the Commission on Population and Development on its thirty-seventh session (E/2004/25-E/CN.9/2004/9)

63. *The draft decision was adopted.*

Recommendation contained in documents (E/2004/64, E/2004/57)

64. **The President** said that, if he heard no objections, he would take it that the Council agreed to consider the recommendations as decisions to be adopted by the Council.

65. *It was so decided.*

66. **The President** said that consultations were continuing with regard to sub-items (g), (h) and (l). He therefore suggested that the Council should defer its consideration of those sub-items to a later date.

67. *It was so decided.*

The meeting rose at 5 p.m.